LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m. on **TUESDAY**, **FEBRUARY 21, 2006**, upon the application of **KCS RESOURCES**, **INC**.

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of Orders pertaining to the following matters relating to the **Hosston Zone**, **Reservoir A**; **the Cotton Valley Formation**, **Reservoir A**; **and the Lower Cotton Valley Zone**, **Reservoir A**, in the Elm Grove Field, Bossier Parish, Louisiana.

- 1. To authorize KCS Resources, Inc. to drill, complete and utilize five additional alternate unit wells on HOSS RA SU37, CV RA SU37 and LCV RA SUZ, at the locations shown on the plats submitted with the application, three of which are exceptional locations.
- 2. To authorize KCS Resources, Inc. to drill, complete and utilize an alternate unit well on HOSS RA SU46, CV RA SU46 and LCV RA SUBB, at the exceptional location shown on the plats submitted with the application.
- 3. To find that each of the proposed alternate unit wells is necessary to efficiently and effectively drain a portion of the Hosston Zone, Reservoir A; the Cotton Valley Formation, Reservoir A; and the Lower Cotton Valley Zone, Reservoir A, underlying the respective units which cannot be efficiently and effectively drained by any other well.
- 4. To authorize the unit allowable for these Hosston Zone, Reservoir A; Cotton Valley Formation, Reservoir A; and Lower Cotton Valley Zone, Reservoir A, units to be recovered from any of the wells located on the units, at the discretion of the operator.
- 5. To authorize the downhole or wellbore combination of production from any current or future well located on HOSS RA SU46, CV RA SU46 and/or LCV RA SUBB, or on any combination of these units, in the Elm Grove Field, without the necessity of securing a supplemental order as contemplated by Office of Conservation Order No. 361-15.
- 6. To consider such other matters as may be pertinent.

The Hosston Zone, Reservoir A, was defined in Office of Conservation Order No. 361-A-1, effective October 1, 1972, and was further defined in Office of Conservation Order No. 361-A-5, effective May 25, 1977.

The Cotton Valley Formation, Reservoir A, was fully defined in Office of Conservation Order No. 361-B, effective October 1, 1973, and was further defined by subsequent Orders of the 361-B Series of Office of Conservation Orders.

The Lower Cotton Valley Zone, Reservoir A, was fully defined in Office of Conservation Order No. 361-E, effective July 16, 1996.

Plats are available for inspection in the Office of Conservation in **Baton Rouge** and **Shreveport**, Louisiana.

www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm.

ELM GROVE FIELD 06-235 thru 06-240

All parties having interest therein shall take notice thereof.

BY ORDER OF:

JAMES H. WELSH COMMISSIONER OF CONSERVATION

Baton Rouge, La 1/31/06;2/3/06 S dnp

IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION-ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN FIVE (5) WORKING DAYS OF THE HEARING DATE.